



# THE VILLAGE OF ARTHUR *Illinois*

January 25, 2016

TO: RESIDENTS OF THE VILLAGE OF ARTHUR  
FROM: MAYOR MATT BERNIUS  
RE: FUTURE OF OUR WATER AND WASTEWATER SYSTEMS

Residents,

Like so many other municipalities across the country, the Village of Arthur is facing the challenge of rehabilitating aging infrastructure that poses both environmental and health risks. This has been a high priority for our Village Board and we have taken the necessary steps to educate ourselves to provide the best solution possible.

## **THE PROBLEM:**

The Village of Arthur's water system is old and requires significant capital improvements as soon as possible. Our wastewater collection system has also been experiencing critical operational problems during heavy rainfalls.

Our utility system is estimated to require more than 3 MILLION DOLLARS in repairs in the short term and more in the future. In order to address the most critical problems immediately, at its December 21, 2015 meeting, the trustees approved the schedule for rate increases to start February 1, 2016 and continue through 2021. This information can be found at [www.arthur-il.gov](http://www.arthur-il.gov).

However given the magnitude of this problem, we need a sound long-term strategy that ensures we will have a safe and reliable water and wastewater systems now and for future generations. More importantly we must establish a plan that is a solution to this problem and that minimizes the burden to the residents.

## **THE SOLUTION:**

In an effort to determine the best course of action, we have investigated several alternative approaches, including how communities similar in size have adopted best practices and managed financing. Our research has been based on the following guiding principals:

- a) Obtain a long-term and dependable high-quality water utility system;
- b) Comply with the Illinois Environmental Protection Agency (IEPA);
- c) Contain future rate increases, minimize Village debt, and reduce taxes;
- d) Establish a plan with the best interest in of the residents and Village in mind.

In focusing on these principals and with the guidance of our consultant, we have come up with two viable choices: (1) Upgrade the existing utility with associated improvements

ourselves; or (2) transfer management and operation to a private company. These alternatives have been the topic of discussion and are still being explored with the help of a third party independent expert.

On October 9, 2015 the Village conducted a public request of qualifications from numerous privatized water and wastewater system providers. After receiving two requests back, the Village identified Aqua Illinois (Aqua), a major investor owned utility, as the most qualified company. The qualifications returned by Aqua provided the following advantages to the residents and business of Arthur:

- (a) Transfers the risk of investment and operations from the Village to a private company
- (b) Provides the technical expertise needed to ensure our systems are operated and maintained according to all federal and state regulations.
- (c) Allows the existing debt of the utility to be paid off from the purchase price.
- (d) Eliminates the dedicated utility tax now being paid by residents.
- (e) Benefits from a regional rate structure and economies of scale help dampen future rate increases.

The Board of Trustees have recently authorized the Village to enter into an Agreement with Aqua in which the terms of an acquisition are laid out but contingent on several factors including a review of the public referendum results in March of 2016.

#### **THE FUTURE:**

We are in a pivotal moment in time to make a decision for the future of our water and wastewater systems. The report from our third party consultant has put the Village on notice of the problems and deficiencies with the systems, and therefore, a change is necessary.

Over the next several weeks, there will be a series of opportunities for you to have input and learn more about the Village's plan for our future. We will host two special Village of Arthur public meetings on February 22 and March 8, both at 7:00 p.m. in the Village of Arthur Community Building.

In addition, Aqua Illinois will host an open-house event on February 29 at Yoder's Kitchen, 1195 E. Columbia St. This is your opportunity to meet Aqua Illinois representatives in person, ask questions and share your perspectives. The open-house will be held from 9:00 a.m. to 11:00 a.m.; 2 p.m. to 4 p.m.; and 6:00 p.m. to 8:00 p.m. on February 29.

I look forward to hearing your thoughts on this important issue.

Sincerely,

Mayor Matt Bernius  
Village of Arthur